

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of	)	CA 03-14
	)	
WESLEY R. SEGAWA and	)	
ASSOCIATES, INC. and Wesley R.	)	
Segawa,	)	
	)	
Respondents.	)	
_____	)	

CONCILIATION AGREEMENT

On or around August 2002, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondents, Wesley R. Segawa and Associates, Inc. and Wesley R. Segawa (collectively "Segawa"). Segawa's purpose of business is to engage in the practice and providing of service in the field of engineering, primarily structural engineering and related fields, whose business address is 101 Silva Street, Suite 201, Hilo, Hawaii. Business registration records list Wesley R. Segawa as President/Vice-President/Secretary/Treasurer and Phyllis E. Segawa as an Assistant Secretary of Segawa. In addition to contribution by the principals, Wesley R. Segawa and Phyllis E. Segawa, contributions were made by the following employees, family members and friends:

Phyllis E. Segawa	Wife
Herbert Segawa	Father
Rodney Segawa	Brother
Susan Segawa	Sister-in-law
Sherry Sayaboc	Sister
Fred Sayaboc	Brother-in-law
Janey Ebesu	Sister
Royce Ebesu	Brother-in-law
Lynne I. Inouye	Cousin
Carol E. Oda,	Relative
Neal Fukumoto	Employee

Suzanne Fukumoto	Wife of Neal Fukumoto
Stephen Hatada	Friend
Jerry Watanabe	Friend
Sandra Watanabe	Wife of Jerry Watanabe
Stanley Watanabe	Father of Jerry Watanabe
Tsuneko Watanabe	Mother of Jerry Watanabe

The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Segawa and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or corrective action taken by Respondents pursuant to section 11-216(g), HRS.
- III. That Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondents waive the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondents enter into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
  1. On or around August 2002, Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and

upon information received through the disclosure statements of the Jeremy Harris campaign committee ("Harris"), the Ben Cayetano campaign committee ("Cayetano"), the Mazie Hirono campaign committee ("Hirono"), the Fred Holshuh campaign committee ("Holshuh") and the Kimo Apana campaign committee ("Apana"), initiated an investigation involving violations of the Hawaii campaign spending statute.

2. Section 11-204(a)(1)(B), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year statewide office or to the candidate's committee in an aggregate amount greater than \$6,000 during an election period.
3. Section 11-204(a)(1)(C), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year nonstatewide office or to the candidate's committee in an aggregate amount greater than \$4,000 during an election period.
4. Section 11-204(h), HRS reads in part as follows:...an individual and any corporation in which the individual owns a controlling interest shall be treated as one person.

5. Section 11-202, HRS reads in part as follows:...No person shall make a contribution of the person's own money or property, or money or property of another person to any candidate, party, or committee in connection with a nomination for election, or election, in any name other than the true name of the person who owns the money or who supplied the money or property.
6. The Commission finds that during the period of 1996 to 2002 Segawa, employees, family members and friends made contributions to various candidates in excess of \$82,000.
7. The Commission finds that Segawa, employees, family members and friends made contributions to Harris amounting to \$26,275.
8. Contributions to Harris from employees, family members and friends include:

Phyllis Segawa	9/96	\$ 150
Janey T. Ebesu	6/99	\$2,000
Neal S. Fukumoto	6/99	\$ 125
Sherry Sayaboc	6/99	\$2,000
Royce T. Ebesu	12/99	\$1,000
Neal S. Fukumoto	12/99	\$1,000
Stephen Hatada	12/99	\$1,000
Lynne I. Inouye	12/99	\$1,000
Carol E. Oda	12/99	\$1,000
Sherry Sayaboc	12/99	\$1,000
Herbert A. Segawa	12/99	\$1,000
Phyllis E. Segawa	12/99	\$1,000
Jerry T. Watanabe	12/99	\$1,000
Stanley K. Watanabe	12/99	\$1,000
Phyllis E. Segawa	3/00	\$2,000
Royce T. Ebesu	9/00	\$3,000
Stephen Hatada	9/00	\$2,000
Fred Sayaboc	9/00	\$ 500
Wesley R. Segawa	9/00	\$1,500
Jerry Watanabe	9/00	\$3,000

9. The Commission finds that Segawa, employees, family members and friends made contributions to Cayetano in the amount of \$21,950.

10. Contributions to Cayetano by Segawa, employees, family members and friends include:

Phyllis Segawa	4/97	\$1,000
Wesley Segawa	4/97	\$1,000
Wesley Segawa	12/97	\$1,000
Wesley Segawa	12/97	\$1,250
Phyllis Segawa	12/97	\$3,000
Wesley Segawa	6/98	\$ 500
Wesley Segawa	6/98	\$1,000
Neal S. Fukumoto	10/98	\$ 400
Suzanne Fukumoto	10/98	\$ 400
Carol Oda	10/98	\$ 500
Fred Sayaboc	10/98	\$2,500
Sherry Sayaboc	10/98	\$2,500
Herbert Segawa	10/98	\$1,000
Herbert Segawa	10/98	\$ 200
Rodney Segawa	10/98	\$2,500
Susan Segawa	10/98	\$2,500
Tsuneko Watanabe	10/98	\$ 350
Stanley K. Watanabe	10/98	\$ 350

11. The Commission finds that Segawa, employees, family members and friends made contributions to Hirono in the amount of \$14,300.

12. Contributions to Hirono by Segawa, employees, family members and friends include:

Wesley Segawa	9/97	\$ 500
Phyllis Segawa	7/98	\$ 500
Wesley Segawa	7/98	\$ 500
Royce Ebesu	10/98	\$5,000
Wesley Segawa	10/98	\$1,000
Herbert Segawa	7/01	\$ 500
Jerry Watanabe	6/02	\$4,000
Neal S. Fukumoto	6/02	\$2,000
Phyllis Segawa	8/02	\$ 100

Herbert Segawa	9/02	\$ 100
Herbert Segawa	10/02	\$ 100

13. The Commission finds that Segawa, employees, family members and friends made contributions to Apana in the amount of \$12,000.

14. Contributions to Apana by Segawa, employees, family members and friends include:

Wesley Segawa	3/00	\$2,000
Wesley Segawa	7/01	\$2,000
Phyllis Segawa	7/01	\$4,000
Jerry Watanabe	7/01	\$2,000
Sandra Watanabe	7/01	\$2,000

15. The Commission finds that Segawa family members made contributions in the amount of \$3,000 to Holshuh as follows:

Royce Ebesu	10/00	\$1,500
Janey Ebesu	10/00	\$1,500

16. The Commission finds that in June 1998 Phyllis Segawa made a \$2,000 contribution to Mufi Hannemann.

17. That Segawa did not file an organizational report pursuant to section 11-194, HRS.

18. That Segawa did not file disclosure reports pursuant to sections 11-212 and 11-213, HRS.

## VII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement #03-14, Segawa understands and agrees to the following:

- (A) Segawa agrees to an assessment of **Fifty-three Thousand Five Hundred Dollars (\$53,500)** pursuant to section 11-228, HRS.
- (B) The Commission alleges that Segawa violated section 11-202, HRS, making campaign contributions in the name of another to the Harris campaign committee.
- (C) The Commission alleges that Segawa violated section 11-202, HRS, making campaign contributions in the name of another to the Cayetano campaign committee.
- (D) The Commission alleges that Segawa violated section 11-202, HRS, making campaign contributions in the name of another to the Apana campaign committee.
- (E) The Commission alleges that Segawa violated section 11-202, HRS, making campaign contributions in the name of another to the Hirono campaign committee.
- (F) The Commission alleges that Segawa violated section 11-202, HRS, making campaign contributions in the name of another to the Holshuh campaign committee.
- (G) The Commission alleges that Segawa violated section 11-204, HRS, making contributions in excess of the contribution limits to the Harris campaign committee.

- (H) The Commission alleges that Segawa violated section 11-204, HRS, making contributions in excess of the contribution limits to the Cayetano campaign committee.
- (I) The Commission alleges that Segawa violated section 11-204, HRS, making contributions in excess of the contribution limits to the Hirono campaign committee.
- (J) The Commission alleges that Segawa violated section 11-204, HRS, making contributions in excess of the contribution limits to the Apana campaign committee.
- (K) The Commission finds that Segawa did not file an organizational report pursuant to section 11-194, HRS.
- (L) The Commission finds that Segawa did not file disclosure reports pursuant to sections 11-212 and 11-213, HRS.
- (M) Segawa agrees to comply with campaign finance statutes on contribution and expenditures to candidate committees.
- (N) Terms of payment of the assessment shall be by Order of the Commission.

VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.



- IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.
- X. This Agreement constitutes the entire agreement between the Commission and Segawa on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.
- XI. This Agreement does not constitute an admission of criminal or civil liability on the part of the Respondents.
- XII. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

**FOR THE COMMISSION:**

Robert Y. Watada, Executive Director

By: \_\_\_\_\_

Date: \_\_\_\_\_

**FOR THE RESPONDENT(S)**

Wesley R. Segawa

By: \_\_\_\_\_

(Name)

(Title)

Date: \_\_\_\_\_